

Message Text

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ACTION OES-07

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05 H-02
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02
SS-15 USIA-15 ACDA-10 IO-14 EB-08 NRC-07 FEAE-00
ERDA-07 OMB-01 TRSE-00 /122 W
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 5622
INFO AMCONSUL BOMBAY

UNCLAS SECTION 1 OF SECTION 2 NEW DELHI 11990

E.O. 11652: N/A
TAGS: TECH, IN, US
SUBJECT: PRESS REPORT ON US/INDIAN NUCLEAR RELATIONS

THE FOLLOWING IS THE TEXT OF A SAMACHAR DISPATCH CARRIED IN
FULL IN THE AUGUST 25 EDITIONS OF "PATRIOT" AND NATIONAL
HERALD" AND SUMMARIZED IN TWO OTHER PAPERS.BEGIN TEXT:
THE UNITED STATES IS UNDERSTOOD TO HAVE INDICATED TO THE
GOVERNMENT OF INDIA THAT ITWOULD FIND IT EXTREMELY
DIFFICULT TO CONTINUE ENRICHED URANIUM SUPPLIES TO THE
TARAPUR ATOMIC POWER PLANT IF A SATISFACTORY AGREEMENT
COULD NOT BE REACHED ON A NEW SAFEGUARD SYSTEM.
EFFORTS MADE BY MR. JOSEPH NYE, AN OFFICIAL DEPUTED BY THE
AMERICAN GOVERNMENT FOR NEGOTIATIONS WITH INDIA, TO IRON
OUT DIFFERENCES BETWEEN THE TWO COUNTRIES ON NUCLEAR
POLICIES REMAINED INCONCLUSIVE.

MR. NYE HELD PROLONGED TALKS TWO WEEKS AGO WITH
OFFICIALS OF THE EXTERNAL AFFAIRS MINISTRY IN DELHI
AND THOSE OF THE DEPARTMENT OF ATOMIC ENERGY IN BOMBAY.
BOTH SIDES ARE UNDERSTOOD TO HAVE RESTATED THEIR
POSITIONS DURING THE TALKS, AND NO COMMON GROUND
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COULD BE FOUND FOR AN AGREEMENT.

EFFORTS AT SETTLEMENT ARE NOW EXPECTED TO BE RENEWED
WELL BEFORE DECEMBER.

THE ENRICHED URANIUM ALREADY RELEASED BY THE UNITED
STATES FOLLOWING A FAVOURABLE VERDICT BY THE US

NUCLEAR REGULATORY COMMISSION (NRC) CAN KEEP THE PLANT RUNNING TILL DECEMBER. IF NEW SUPPLIES DO NOT REACH THE PLANT BY THEN, THE ATOMIC POWER PLANT MAY FACE A SHUTDOWN.

THE UNITED STATES IS COMMITTED TO SUPPLY ENRICHED URANIUM TO THE TARAPUR PLANT FOR 30 YEARS UNDER THE INDO-US AGREEMENT FOR COOPERATION IN CIVIL USES OF ATOMIC ENERGY WHICH CAME INTO FORCE ON OCTOBER 25, 1963. INDIA HAD BEEN SCRUPULOUSLY IMLEMENTING THE TERMS OF THE AGREEMENT AND THE UNITED STATES GOVERNMENT HAS SEVERAL TIMES PUT ON RECORD THAT INDIA COULD NOT BE ACCUSED OF ANY VIOLATION OF THE AGREEMENT. AS PROVIDED IN THE AGREEMENT,INDIA ALSO SIGNED A TRILATERAL AGREEMENTWITH THE INTERNATIONAL ATOMIC NPT BECAUSE THE NON-NUCLEAR WEAPON SIGNATORIES TO IT ARE DUTY-BOUND TO KEEP OPEN ALL THEIR NUCLEAR INSTALLATIONS FOR INTERNATNAL INSPECTION BY THE IAEA.

THE 1963 INDO-US AGREEMENT PERMITS ITS TERMINATION ONLY ON TWO GROUNDS - FAILURE TO SIGN A TRILATERAL AGREEMENT WITH THE IAEA AND USE OF SPECIAL NUCLEAR MATERIALS (ENRICHED URANIUM OR PLUTONIUM) FOR WEAPONS.

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SINCE INDIA HAS ALREADY SIGNED THE TRILATERAL AGREEMENT AND IS NOT DIVERTING ANY NUCLEAR MATERIAL FOR WEAPONS - AS ALREADY ADMITTED BY THE UNITED STATES - THERE IS NO LEGAL JUSTIFICATION FOR THE AMERICAN GOVERNMENT TO WITHDRAW FROM THE AGREEMENT.

ACCORDING TO EXPERTS, ANY UNILATERAL TERMINATION OF THE AGREEMENT BY THE UNITED STATES WILL DEVALUE US CREDIBILITY ALL OVER THE WORLD.

ON THE INDIAN SIDE,IT WILL FREE INDIA FROM OBLIGATIONS TO ALLOW THE IAEA INSPECTION OF THE TARAPUR PLANT. IF INDIA SUCCEEDS IN OBTAINING ALTERNATIVE SUPPLIES OF ENRICHED URANIUM, THE UNITED STATES WILL HAVE NO RIGHT TO INSPECT THE PLANT, THEY POOINT OUT. THE SOVIET UNION AD, IT IS REPORTED, AGREED TO SUPPLY ENRICHED URANIUM FOR THE TARAPUR PLANT SOME TIME AGO. IT IS NOT CLEAR WHETHER THE OFFER STILL STANDS.

APART FROM INSPECTION, ANOTHER PROBLEM THAT AWAITS SOLUTION IS THAT OF DISPOSING THE SPENT NUCLEAR FUELS

FROM THE TARAPUR ATOMIC PLANT.

UNDER THE AGREEMENT, THE AMERICAN GOVERNMENT HAS A RIGHT TO CLAIM BACK THE SPENT FUELS (WHICH YIELDS PLUTONIUM AFTER RE-PROCESSING) AT CURRENT PRICES. THOUGH INDIA HAD BEEN PLANNING TO GET TO THE SPENT FUELS REPROCESSED AT ITS NEWLY-BUILT REPROCESSING PLANT AT TARAPUR, AMERICAN REQUEST FOR THEIR RETURN IS CREATING SOME PROBLEMS OF STORAGE.

INDIA HAS AGREED TO RETURN THE SPENT FUELS, BUT AMERICANS ARE FINDING IT DIFFICULT TO LIFT THEM BECAUSE OF THE HAZARDS OF RADIOACTIVITY DURING TRANSPORTATION. THE ATOMIC ENERGY DEPARTMENT HAS NOTIFIED ITS INABILITY
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TO STORE THEM FOR VERY LONG PERIODS FOR REASONS OF SAFETY AND INADEQUATE STORAGE FACILITIES. THIS ISSUE IS ALSO EXPECTED TO COME UP DURING THE CMING NEGOTIATIONS.

THE UNITED STATES HAS INVITED INDIA TO PARTICIPATE IN A 30-NATION CONFERENCE ON DEVELOPING ALTERNATIVE FUELS (WITH NO WEAPONS CAPABILITY) FOR ATOMIC POWER PLANTS. THE OBJECTIVE APPEARS TO BE TO INTRODUCE A NEW TYPE OF ENRICHED URANIUM WHICH DOES NOT YIELD WEAPON-GRADE PLUTONIUM.

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THE CONFERENCE ALSO APPEARS TO BE AIMED AGAINST
FAST BREEDER REACTORS WHICH USE PLUTONIUM IN COMBINATION
WITH URANIUM AND THORIUM TO PRODUCE A VALUABLE FISSIONABLE
MATERIAL CALLED URANIUM-233, WHICH COULD BE USED FOR
BOMBS OR FOR FUELING BREEDER REACTORS.

INDIA'S ATOMIC PROGRAMME IS NOW GEARED TO FAST BREEDERS
WHICH WOULD ENABLE EXPLOITATION OF THE COUNTRY'S
ABUNDANT THORIUM RESERVES (THE WORLD'S LARGEST) FOR
POWER PRODUCTION.

INDIA IS YET TO ACCEPT THE INVITATION, BUT IT IS
CLEAR THAT IT WILL BE UNWILLING TO AGREE
TO ANY ATTEMPT TO THWART ITS FAST BREEDER PROGRAMME.
END TEXT.GOHEEN

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